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FM AMEMBASSY ASUNCION
TO RUEHC/SECSTATE WASHDC PRIORITY 5038
INFO RUCNMER/MERCOSUR COLLECTIVE
RUEKJCS/SECDEF WASHDC
RHEHNSC/WHITE HOUSE NSC WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUMIAAA/USCINCSO MIAMI FL//SCJ3/SCJ33/SCJ34/SOCSO LNO//
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C O N F I D E N T I A L ASUNCION 001158

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E.O. 12958: DECL: 11/15/2026
TAGS: [PREL](#) [MASS](#) [MARR](#) [KICC](#) [PTER](#) [PINR](#) [BR](#) [VZ](#) [AR](#) [PA](#)
SUBJECT: PARAGUAY PERHAPS RETHINKS MILITARY IMMUNITIES

REF: A. ASUNCION 1020
[1](#)B. ASUNCION 1023

Classified By: DCM Michael J. Fitzpatrick. Reasons: 1.4 (C and D)

[1](#)1. (C) SUMMARY: Since officially informing the Embassy in early October that that the Paraguayan government does not intend to renew immunities for US military exercises, domestic criticism of that decision has mounted, spurred by proximity to local elections and concerns re Venezuelan and Bolivian regional intentions. With the November 19 municipal elections likely to serve as a bellwether for the Duarte Frutos administration, the government privately suggests it is reconsidering its position -- while anxious to limit the political damage of any "flip flop" in its position before then. END SUMMARY.

[1](#)2. (C) The political situation here has changed somewhat since FM Ramirez confirmed to the Ambassador October 3 that Paraguay had decided not to extend immunities to U.S. participants in military exercises beyond December of this year. The government's earlier public announcement was initially lauded by its supporters - only to be surprised by the sustained intensity of criticism from many quarters. (Indeed, some elements of the government were clearly caught off guard by the announcement, as well.) Ongoing concerns here re possible Bolivian revanchism towards the Chaco region and Venezuela's role in the region has led to widespread calls for increased defense spending - and for a closer defense relationship with the United States. After years of studiously ignoring the issue, members of Congress are suddenly in a mad scramble to see who among them can be seen as the biggest supporter of proposals for major increases in defense purchases.

VICE PRESIDENT'S OFFICE WEIGHS IN
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[1](#)3. (C) The government subsequently informed post that the government in fact seeks to actually strengthen defense ties. DCM and Pol Chief met November 1 with JuAN Carlos Facetti, defense advisor to Vice President Castiglioni. Facetti informed that the President and VP had met privately and decided to offer the USG "equal treatment" ("igualdad") with the Brazilian and Argentine military. The President remained opposed to "total immunity" but was amenable to "functional immunity" for U.S. military personnel. In fact, the President sought to strengthen and broaden U.S. military cooperation in traditional and non-traditional areas. Facetti noted that the government intended to submit to Congress soon its proposed renewal of Brazil's 5-year agreement and would like to

submit an identical agreement with the US to Congress for simultaneous approval. When Emboffs noted that the President had recently rejected "A&T status" for the U.S. only now to seemingly accept it, Facetti suggested that there had not been very clear briefing of the President before he rejected the proposed U.S. agreement. Facetti was crestfallen when informed, per informal conversations with DC, that the Brazilian proposed text was a clear non-starter for the USG. Pol Chief informally provided Facetti with an English-language copy of the new draft SOFA text recently approved for global use in the Circular 175 process (reftel).

14. (C) Facetti called back November 2 to inform that the Vice President, Foreign Minister Ramirez, and Vice Foreign Minister Gonzalez Franco had already met and agreed that the U.S. draft text appeared consistent with the President's wishes. He proposed DCM raise the issue in a forthcoming meeting (already planned) with Gonzalez Franco.

FOREIGN MINISTRY ALSO KEEPS THE DOOR OPEN

15. (C) In their November 6 meeting, DCM shared the draft English text directly with Gonzalez Franco. In the presence of his staff, Gonzalez Franco gave no hint of having ever seen the text before. He did, however, reiterate that the President sought "igualdad" for the U.S. and systematically parroted Facetti's points that the government was intent on expanding U.S. military cooperation, both via humanitarian assistance programs as well as traditional military exercises and training. He was appreciative of the recently announced IMET waiver and of the offer of GPOI funds (the details of which DCM shared with Gonzalez Franco at this meeting). Substantively, Gonzalez Franco asked if the U.S. would find it objectionable for the USG to have A&T immunities cover all those assigned to the Embassy under such a SOFA agreement, but privileges (e.g., import rights, tax-free privileges) would only be extended to any individuals assigned to post for two years or longer. (NOTE: This is in keeping with the Brazilian and Argentine agreements. END NOTE.)

16. (C) Procedurally, Gonzalez Franco asked whether, if/when a final text were agreed, an exchange of notes was sufficient for the U.S. or whether some other mechanism would be required, and whether such an agreement would require U.S. congressional approval. DCM noted the USG sought a substantive agreement with the GOP, that we were flexible on the exact procedures and that such an agreement does not require U.S. legislative approval or ratification. Gonzalez Franco said both the Brazilian and any U.S. agreement would have to go to their Congress for approval -- as would any subsequent entry of "troops" as opposed to "technicians" (the word used in the Brazilian and Argentine texts for all those assigned to their milgroups here). MEDRETE personnel, he suggested, should be viewed as "technicians," not troops. Asked whether the USG was opposed to a multi-year agreement, DCM noted that a longer-term agreement had clear benefits, starting with avoiding the need to detail far in advance every single proposed exercise; it could also reduce the political expense of renegotiating the agreement with us (and resubmitting to their Congress) every single year.

17. (C) DCM also provided the Vice Minister a copy of the signed letter from General Kanazawa confirming GOP approval for the December Medical Readiness Training Exercise (MEDRETE), as the second-phase of a MEDRETE visit to Paraguay last February. DCM noted the Embassy understood there was some GOP interagency confusion as to the status of this MEDRETE under the terms of the current bilateral agreement on immunities and that we were informing them so as to ensure proper interagency coordination. DCM noted that the MEDRETE constituted a dozen or so unarmed doctors, typically reservist surgeons, who would be doing follow-up care to previous patients as well as extending care to new patients. The MEDRETES, he concluded, were hugely popular within both the government and opposition ranks; as such we saw no reason for government concern but wanted them to understand that we believed we had the authorities necessary for the MEDRETE (as Kanazawa reports directly to the President). Gonzalez Franco

promised to get back to post regarding both the MEDRETE and the draft agreement, noting that &these issues are being decided at the very highest levels of government.8

COMMENT

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18. (C) COMMENT: All Paraguayan political parties are

consumed by last-minute campaigning for the November 19 municipal elections, the results of which are already expected to serve as a mid-term referendum on the Duarte Frutos administration. The government seems genuinely surprised at how vociferous the domestic criticism has been at their decision to not renew immunities, but unwilling to pursue the issue further until they see the elections in the rear view mirror. The Ambassador is to meet anew with the Foreign Minister November 21. The issues of immunities, MEDRETES and military cooperation will no doubt lead off the discussion. END COMMENT.

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